

COMPANY REGISTRATION NUMBER 10567163

Marshall ADG Ltd
REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2024

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Marshall ADG Ltd
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2024

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MARSHALL ADG LTD

OFFICERS

YEAR ENDED 31 DECEMBER 2024

Board of directors

D. J. Heaford
G. Williams

Company secretary

S. J. Moynihan

Registered office

Control Building
The Airport
Newmarket Road
Cambridge
CB5 8RX

Marshall ADG Ltd

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2024

The directors of Marshall ADG Ltd (the "Company") present their Report and Financial Statements of the Company for the year ended 31 December 2024. In preparing this report, the directors have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

RESULTS AND DIVIDENDS

The Company received dividends of £22,000,003 (2023: £4) during the year. The Company received no other income (2023: £Nil). The Company reviewed the carrying value of its investments in subsidiary undertakings and recognised an impairment provision of £2,000,004 (2023: £nil). The Company incurred no other expenditure (2023: £Nil). On 17 December 2024, the directors authorised the payment of an interim dividend of £20,000,000. The directors do not recommend the payment of a final dividend (2023: £nil).

PRINCIPAL ACTIVITIES

The Company was an investment holding company during the year. The directors expect the Company to continue with this activity for the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and to the date of this report were:

D. J. Heaford (appointed 1 February 2024)
G. Williams (appointed 26 September 2024)
D. J. Baxter (resigned 15 February 2024)
K. H. Jenkins (resigned 31 May 2024)

D. J. Heaford, is also a director of Marshall of Cambridge (Holdings) Limited, the ultimate parent undertaking. D. J. Heaford and G. Williams are also directors of other subsidiary undertakings of the ultimate parent company. No director had any interest in the share capital of the company or of any other group company during the year.

None of the directors holding office as at 31 December 2024 notified a beneficial interest in any contract to which the company or its fellow group undertakings were a party during the year.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The ultimate parent company purchased and maintained a directors' and officers' liability insurance policy throughout the period. Although a director's defence costs may be met, neither the parent company's indemnity nor insurance provides cover in the event that he is proved to have acted fraudulently or dishonestly.

GOING CONCERN

For the year ended 31 December 2024 the Company generated a post-tax profit of £19,999,999 (2023: £4) and had net assets of £14,001,003 (2023: £14,001,004).

Marshall of Cambridge (Holdings) Ltd ("MCH"), its immediate and ultimate parent company, has as part of its financing arrangements for the Group, given security of some of the Company's assets to external debt providers.

Marshall ADG Ltd

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2024

GOING CONCERN *(continued)*

The Directors have considered whether, over a period of at least 12 months from the approval of these financial statements, the Company is able to meet its liabilities as they fall due and is a going concern. In addition to considering the Company's forecast cash flows over a period of at least 12 months, the Directors have also made enquiries of the MCH Directors given the security provided by the Company to the group banking arrangements. The Directors of MCH have prepared a formal Group going concern assessment, including performing a stress test and modelling a range of severe but plausible scenarios, to understand what would need to happen for the business to fully utilise its available funds, both committed and uncommitted and exhaust its liquidity. A detailed explanation is provided in the basis of preparation paragraph which forms part of Note 1 to the financial statements, including matters that indicate a material uncertainty exist that affect MCH's and therefore the Company's ability to continue as a going concern. However, based on their enquires the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. These financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Group were unable to continue as a going concern.

POST BALANCE SHEET EVENT

Note 10 to the financial statements provides details of a non-adjusting post balance sheet event.

Marshall ADG Ltd

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 DECEMBER 2024

The directors are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law).

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

This report was approved by the board of directors on 8 July 2025 and signed on its behalf.



D. J. Heaford
Director

Marshall ADG Ltd
INCOME STATEMENT
YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £000	2023 £000
Impairment of investments in subsidiary undertakings		(2,000)	-
Other operating income	4	22,000	-
OPERATING PROFIT		<u>20,000</u>	<u>-</u>
PROFIT BEFORE TAXATION		<u>20,000</u>	<u>-</u>
Tax on profit		-	-
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>20,000</u></u>	<u><u>-</u></u>

The notes on pages 9 to 15 form part of the Report and Financial Statements.

Marshall ADG Ltd

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	Notes	2024 £000	2023 £000
FIXED ASSETS			
Investments	5	12,000	14,000
CURRENT ASSETS			
Amounts owed by related undertakings	6	2,001	1
NET CURRENT ASSETS		<u>14,001</u>	<u>14,001</u>
CAPITAL AND RESERVES			
Called up share capital	7	<u>14,001</u>	<u>14,001</u>
SHAREHOLDER'S FUNDS		<u>14,001</u>	<u>14,001</u>

For the year ended 31 December 2024 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies and the members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the act.

The Directors acknowledge the responsibility for:

- a. ensuring the Company keeps accounting records in accordance with Section 386; and
- b. preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial period and its profit and loss for the financial period in accordance with the requirements of Section 393, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the directors on 8 July 2025 and are signed on their behalf by:



.....
D. J. Heaford
Director

Company Registration Number: 10567163

The notes on pages 9 to 15 form part of the Report and Financial Statements.

Marshall ADG Ltd

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2024

	Called up Share capital	Profit and loss account	Total Shareholders funds
	£000	£000	£000
At 1 January 2023	14,001	-	14,001
Profit and total comprehensive income for the year	-	-	-
At 31 December 2023	14,001	-	14,001
Profit and total comprehensive income for the year	-	20,000	20,000
Dividend paid	-	(20,000)	(20,000)
At 31 December 2024	14,001	-	14,001

The notes on pages 9 to 15 form part of the Report and Financial Statements.

Marshall ADG Ltd

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

1. Accounting Policies

(a) Statement of Compliance

Marshall ADG Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Control Building The Airport, Newmarket Road, Cambridge, England, CB5 8RX.

The Company's financial statements have been prepared in compliance with the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") as it applies to the financial statements of the Company for the year ended 31 December 2024.

(b) Basis of Preparation

The financial statements of the Company were authorised for issue on 8 July 2025 by the Board of Directors. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the Company.

(c) Going Concern

For the year ended 31 December 2024 the Company generated a post-tax profit of £19,999,999 (2023: £4) and had net assets of £14,001,003 (2023: £14,001,004).

Marshall of Cambridge (Holdings) Ltd ("MCH"), its immediate and ultimate parent company, has as part of its financing arrangements for the Group, given security of some of the Company's assets to external debt providers.

The Directors have considered whether, over a period of at least 12 months from the approval of these financial statements, the Company is able to meet its liabilities as they fall due and is a going concern. In addition to considering the Company's forecast cash flows over a period of at least 12 months, the Directors have also made enquiries of the MCH Directors given the security provided by the Company to the group banking arrangements. The Directors of MCH have prepared a formal Group going concern assessment, including performing a stress test and modelling a range of severe but plausible scenarios, to understand what would need to happen for the business to fully utilise its available funds, both committed and uncommitted and exhaust its liquidity. A detailed explanation is provided in the basis of preparation paragraph which forms part of Note 1 to the financial statements, including matters that indicate a material uncertainty exist that affect MCH's and therefore the Company's ability to continue as a going concern. However, based on their enquires the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. These financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Group were unable to continue as a going concern.

In addition to considering the Company's forecast cash flows, the Directors have also made enquiries of the MCH Directors given the security provided by the Company to the group banking arrangements. The Directors of MCH have prepared a formal group going concern assessment, including performing a stress test and modelling a range of severe but plausible ('SBP') downside scenarios, to understand what would need to happen for the business to fully utilise its available funds, including both committed and uncommitted facilities and exhaust its liquidity.

Marshall ADG Ltd

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2024

1. Accounting Policies *(continued)*

(c) Going Concern *(continued)*

Under the SBP downside scenarios, without taking mitigating actions, the Group would not have sufficient resources to continue to meet its liabilities as they fall due, and this would result in a breach of banking covenants. The SBP downside scenarios considered a delay to the resale of the UK C-130 fleet for which Marshall is an official partner, and delays in material cash inflows from asset disposals. Under the C-130 arrangement, Marshall has undertaken work in relation to the UK C-130 fleet, with material proceeds expected to flow to Marshall upon their resale by the UK Ministry of Defence. The completion of this resale is dependent upon approval from the relevant US authorities and whilst this is underway, there is a degree of uncertainty over the approval and timing thereof. Similarly the Group has agreed the disposal of Advanced Composites and is awaiting the required approval and consents for this to complete.

In response to these SBP downside scenarios, the MCH Directors have drawn up mitigating actions available to the Group, focused on the disposal of assets. The MCH Directors have a reasonable expectation that such actions would enable the Group to remain liquid throughout the going concern assessment period. As such, both the MCH Directors and the Directors of the Company believe that it remains appropriate to prepare the financial statements of the Group and the Company on a going concern basis. However, these mitigating actions are not fully in the control of the MCH Directors and have not been committed as at the date of approval of these financial statements. Were the Group not to be able to successfully enact these mitigations, it may need additional external funding to retain liquidity and in the event of a breach of covenants it would need to obtain waivers from its lenders. These circumstances represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, to continue realising assets and discharging liabilities in the normal course of business. Given the security provided by the Company to the group banking arrangements, the Directors have concluded that a similar material uncertainty also exists for the Company. These financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company were unable to continue as a going concern.

(d) Consolidation

In accordance with section 400 of the Companies Act 2006 consolidated financial statements have not been prepared as the Company is a wholly owned subsidiary of Marshall of Cambridge (Holdings) Limited, the ultimate parent company of the group, which is registered in England and Wales, for which consolidated financial statements are publicly available. These financial statements therefore present information about the Company alone and not about its group.

(e) Investments

Fixed asset investments are stated at cost less provision for diminution in value.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established.

Marshall ADG Ltd

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2024

(g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

The Company has applied the exception under paragraphs 29.2B and 29.12A of FRS 102 to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

(h) Exemptions For Qualifying Entities Under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following disclosure exemptions under FRS 102 reduced disclosure framework:

- (a) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- (b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
- (c) The requirements of Section 11, paragraphs 11.39 to 11.48A and Section 12, paragraphs 12.26 to 12.29A;
- (d) The requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
- (e) The requirements of Section 33 Related Party Disclosures paragraph 33.7.

Marshall ADG Ltd

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2024

1. Accounting Policies *(continued)*

(i) Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

As the Company is a holding company, the directors have determined that there are no significant judgements that require disclosure in the financial statements. However, the nature of estimation means that actual outcomes could differ from the estimates.

The following is the Company's key source of estimation uncertainty:

Impairment of investments

Where there are indicators of impairment of investments, the Company compares the carrying value of the asset with its recoverable amount, represented by the higher of its value in use and net realisable value. Value in use is based on a discounted cash flow model, and is therefore sensitive to the discount rate used as well as the expected future cash flows and extrapolated growth rate. Net realisable value is estimated as fair value less costs to sell, based on available data from sales transactions for similar assets.

2. Directors' Emoluments

No emoluments were payable to the directors for their qualifying services to the Company during either the current or preceding years.

The directors do not believe that it is practicable to apportion the total remuneration between their qualifying services as directors of the Company and their qualifying services as directors of either the ultimate parent undertaking or fellow subsidiary undertakings. The total remuneration of D. J. Heaford, D. J. Baxter and K. H. Jenkins is disclosed within the financial statements of the immediate parent undertaking.

3. Employees

The Company had no employees during either the current or preceding years.

4. Other operating income

	2024	2023
	£000	£000
<i>Dividends received from subsidiary undertakings</i>	22,000	-

Marshall ADG Ltd

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2024

5. Investments

	Shares in subsidiary undertakings £000
Cost or Valuation	
At 1 January 2024	14,000
Addition	-
At 31 December 2024	<u>14,000</u>
Amounts provided	
At 1 January 2024	-
Provided in year	2,000
At 31 December 2024	<u>2,000</u>
Net Book Value	
At 31 December 2024	<u>12,000</u>
At 31 December 2023	<u>14,000</u>

Shares in group companies

At 31 December 2024, the Company has the following subsidiary undertakings:

Company	Proportion held %	Principal activity	County of incorporation	Registered office
Marshall Land Systems Limited ***	100%	Military equipment provider	England and Wales	Cambridge *
Marshall of Cambridge Aerospace Limited ***	100%	Aerospace engineering	England and Wales	Cambridge *
Marshall Canada Holdings Inc	100%	Holding company	Canada	Vancouver BC **

Marshall ADG Ltd

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2024

5. Investments *(continued)*

Other indirect wholly owned subsidiary undertakings are detailed below:

Company	Proportion held %	Principal activity	County of incorporation	Registered office
Slingsby Holdings Limited	100%	Holding company	England and Wales	Cambridge *
Slingsby Advanced Composites Limited ***	100%	Composite structures design and manufacture	England and Wales	Cambridge *
Marshall Middle East Limited	100%	Business development activities in the Middle East	England and Wales	Cambridge *
Marshall Aerospace Netherlands B.V.	100%	Design engineering services	Netherlands	Haagse Schouwweg BM, 2332KG Leiden, Netherlands
Marshall USA LLC	100%	Business development activities in the USA	USA	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, USA
Marshall Aerospace and Defence France SAS	100%	Business development activities in France	France	6 place de la Madeleine 75008 Paris
Marshall Aerospace Canada, Inc	100%	Design engineering support	Canada	Vancouver BC **
Marshall Land Systems Canada Inc	100%	Military equipment provider	Canada	44 Chipman Hill Suite, 1000 Saint John, NB, E2L 2A9, Canada
Marshall Skills Academy Inc	100%	Educational services	Canada	Vancouver BC **
Aeroacademy Limited	100%	Dormant	England and Wales	Cambridge *
Marshall Specialist Vehicles Ltd	100%	Dormant	England and Wales	Cambridge *

* The registered office for these subsidiaries is Control Building The Airport, Newmarket Road, Cambridge, England, CB5 8RX.

** The registered office for these subsidiaries is 2600 – 1066 West Hastings Street, Vancouver BC V6E 3X1, Canada.

*** The shares in these subsidiaries are subject to a fixed charge in favour of Barclays Bank plc, as part of the financing arrangements entered into by the Company's ultimate parent company, Marshall of Cambridge (Holdings) Ltd. This charge has been granted as security under a group-wide financing facility and remains in place as at the reporting date. The directors do not anticipate that the charge will adversely affect the Company's ability to retain its investment or exercise control over these subsidiaries.

Marshall ADG Ltd

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2024

6. Debtors

	2024	2023
	£000	£000
Amounts owed by related undertakings	2,001	1

Amounts owed by related undertakings are unsecured, interest free and are repayable on demand

7. Share Capital

Allotted, called up and fully paid:

	2024	2023
	£000	£000
14,001,000 Ordinary shares of £1 each	14,001	14,001

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

8. Reserves

Profit and loss account records all current and prior period retained profits and losses.

9. Related Party Transactions

The Company has taken advantage of the exemption in FRS 102 Section 33 Related Party Disclosures paragraph 33.7 not to disclose transactions with fellow subsidiary undertakings of the Marshall of Cambridge (Holdings) Limited group.

10. Post Balance Sheet Event

On 27 June 2025 the Company sold Slingsby Holdings Limited and its sole subsidiary Slingsby Advanced Composites Limited to Mangohojden AB. The principal activity of Slingsby Advanced Composites Ltd is the design, manufacture and marketing of composite structures to the defence, aerospace, marine and rail industries

11. Ultimate Parent Undertaking and Controlling Party

The ultimate and immediate parent undertaking and controlling party is Marshall of Cambridge (Holdings) Limited.

The parent undertaking of the smallest and the largest group of undertakings for which consolidated financial statements are prepared and of which the Company is a member is Marshall of Cambridge (Holdings) Limited, registered in England and Wales, and this is therefore considered to be the ultimate parent undertaking and also the ultimate controlling party. Copies of these consolidated financial statements can be obtained from Marshall of Cambridge (Holdings) Limited Control Building The Airport, Newmarket Road, Cambridge, England, CB5 8RX.